FISCAL IMPACT STATEMENT ON BILL NO. **\$.83**

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TO: The Honorable Thomas C. Alexander, Chairman, Senate General Committee

FROM: Office of State Budget, Budget and Control Board

ANALYSTS: Beth Campbell and Allan Kincaid

DATE: January 23, 2007 SBD: 2007021

AUTHOR: Senator Malloy PRIMARY CODE CITE: 25-3-10

SUBJECT: Emergency Air Wing

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES: See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES: \$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

Senate Bill 1337 establishes an Emergency Air Wing of the South Carolina State Guard. This organization will consist of volunteer pilots and flight ground crews who will provide emergency air support as authorized by the Adjutant General.

EXPLANATION OF IMPACT:

The Adjutant General's Office and the Budget & Control Board report this Bill will have no direct fiscal impact on the agencies. However, this Bill establishes an unknown liability to the General Fund of the State in the form of secondary liability on each airplane and workers' compensation benefits for the members. Each participating airplane must have liability insurance of no less than one million dollars. Once this primary insurance has been fully applied, the State of South Carolina and the South Carolina National Guard will be liable under the South Carolina Tort Claims Act. Based on language in section 42-7-50 it is assumed workers' compensation expenses would be paid directly from the General Fund of the State.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:

Don Addy

Assistant Director, Office of State Budget